

EXTENSION OF CERTAIN EXPIRING AUTHORITIES OF THE DEPARTMENT  
OF VETERANS AFFAIRS RELATING TO DELIVERY OF HEALTH AND MEDICAL  
SERVICES, AND FOR OTHER PURPOSES

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OCTOBER 12, 1995.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. STUMP, from the Committee on Veterans' Affairs,  
submitted the following

R E P O R T

[To accompany H.R. 2353]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2353) to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs relating to delivery of health and medical care, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 7, line 14, insert “(except as provided in subsection (e)),” after “medical center”.

Page 7, after line 15, insert the following:

(b) EXCEPTION FOR CERTAIN DEPARTMENT OF VETERANS  
AFFAIRS MEDICAL CENTERS.—Such section is further  
amended—

(1) by redesignating subsection (e) as subsection (f);  
and

(2) by inserting after subsection (d) the following  
new subsection (e):

“(e) SPECIAL RULE FOR DISPLAY AT DEPARTMENT OF VET-  
ERANS AFFAIRS MEDICAL CENTERS.—(1) Upon a determina-  
tion by the director of a Department of Veterans Affairs

medical center that the daily display of the POW/MIA flag at that medical center may be detrimental to the treatment of patients at that center, the provisions of subsection (a)(3) shall be inapplicable with respect to that medical center.

“(2) Whenever the director of a Department of Veterans Affairs medical center makes a determination described in paragraph (1), that officer shall submit a report on such determination, including the basis for the determination, to the Under Secretary for Health of the Department of Veterans Affairs.”.

Page 7, line 16, strike out “(b)” and insert in lieu thereof “(c)”.

#### INTRODUCTION

On August 4, 1995, the Honorable Tim Hutchinson was joined by the Honorable Chet Edwards, Honorable Bob Stump, Chairman of the Veterans' Affairs Committee, Honorable G.V. (Sonny) Montgomery, Honorable Chris Smith, Honorable Jack Quinn, Honorable Michael Doyle, and Honorable Michael Bilirakis in the introduction of H.R. 2219 to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs, and for other purposes.

The Subcommittee on Hospitals and Health Care met on September 7, 1995 and by unanimous voice vote ordered reported H.R. 2219, as amended, to the full Committee.

The provisions of H.R. 2219, as amended, were incorporated into a clean bill, which on September 19, 1995, was introduced as H.R. 2353 by the Honorable Tim Hutchinson, joined by the Honorable Chet Edwards, Honorable Bob Stump, Chairman of the Veterans' Affairs Committee, and Honorable G.V. (Sonny) Montgomery.

The full Committee met on September 20, 1995 and by unanimous voice vote ordered reported favorably H.R. 2353, as amended.

#### SUMMARY OF THE REPORTED BILL

H.R. 2353, as amended, would:

1. Extend expiring VA authority to:
  - a) provide health care on a priority basis for Persian Gulf War veterans until December 31, 1998;
  - b) provide contract authority for alcohol and drug abuse care until December 31, 1997;
  - c) administer the Nursing Home Care Alternatives Program until December 31, 1997;
  - d) administer the Health Scholarships Program until December 31, 1997;
  - e) administer the Enhanced-Use Leases of Real Property Program until December 31, 1997;
  - f) administer the Community-Based Residential Care for Homeless Chronically Mentally Ill Veterans Program until December 31, 1997;
  - g) operate the Demonstration Program of Compensated Work Therapy and Therapeutic Transitional Housing until December 31, 1997; and

- h) administer the Homeless Veterans Pilot Program until December 31, 1998.
- 2. Require the Secretary of Veterans Affairs to submit reports to Congress on the following:
  - a) the advantages and disadvantages of consolidating into one program the Alcohol and Drug Abuse Program, the Community-Based Residential Care for Homeless Chronically Mentally Ill Veterans Program, and the Demonstration Program of Compensated Work Therapy and Therapeutic Transitional Housing; and
  - b) the scientific evidence, and assessment of the strength of such evidence, concerning association between military service in the Southwest Asia theater of operation during the Persian Gulf War and any disease that may be associated with such service.
- 3. Repeal the authority to make grants to the Veterans Memorial Medical Center in the Philippines.
- 4. Provide for the daily display of the POW/MIA flag at all VA Medical Centers, as long as such display is not detrimental to the treatment of patients at that center.
- 5. Authorize the VA to contract for utilities at the Audie L. Murphy Memorial Hospital in San Antonio, Texas.
- 6. Rename the Walla Walla, Washington VA Medical Center the Jonathan M. Wainwright Department of Veterans Affairs Medical Center.

#### BACKGROUND AND DISCUSSION

The reported bill serves a number of purposes. It provides for a compassionate three-year extension of VA's authority to provide hospital and medical care to those veterans whose service in the Persian Gulf War may have resulted in illnesses. Because the Committee takes seriously the complaints of these veterans and the substantial investment of the American taxpayers which has been dedicated to research on Persian Gulf illnesses, the bill requires the VA to assess and review the strength of these research efforts and other scientific evidence relating to service in the Southwest Asia theater of operations and report to Congress on their findings. The bill also extends eight expiring authorities and provides for an evaluation on the advisability of consolidating three programs which appear to have overlapping program responsibilities. The bill repeals the VA's grant authority to the Philippines, renames the Walla Walla, Washington VA Medical Center and grants authority for VA to contract for a period of 35 years for utilities for the Audie L. Murphy VA Medical Center. Finally, the bill would require VA medical centers to fly the POW/MIA flag daily, unless a determination has been made that such a display would be detrimental to the patient's care at the center.

#### *Section 1. Extension of Expiring Authorities of Department of Veterans Affairs*

*(a) Extension of Hospital Care and Medical Services for Persian Gulf Veterans Exposed to Toxic Substances.*—Under this bill, authorization to provide health care on a priority basis for Persian Gulf War veterans would be extended until December 31, 1998.

During and since the Persian Gulf War, numbers of returning American service personnel have reported conditions they attribute to their assignment in the Arabian peninsula and the surrounding area. Most of the medical problems have been diagnosable, but symptoms of several thousand veterans have not been readily explained.

Extensive research is currently underway to attempt to answer the seemingly perplexing questions of illnesses and diseases attributable to service in the Persian Gulf. The multitude of studies currently being conducted by various government agencies are looking into possible physical, chemical, biological and psychological factors in an effort to produce a satisfactory explanation for these unexplained illnesses. This bill would continue Congressional authorization for priority treatment for these veterans for a three-year period.

*(b) Contract Authority for Alcohol and Drug Abuse Care.*—The extension would allow the program to operate through December 31, 1997. Under this authority, the VA is able to contract for care, treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers and other community-based treatment centers for eligible veterans suffering from alcohol or drug dependence and abuse disorders.

In response to the growing need to provide a residential environment to bridge the gap between inpatient treatment and independent life in the community for selected substance abuse patients, Congress gave VA authority to contract for personal care, treatment and rehabilitative services in non-VA halfway houses, therapeutic communities, psychiatric residential treatment centers and other community-based treatment facilities. The program was originally established in 1979 under Public Law 96-22, section 104 and has subsequently been extended under P.L. 99-166, P.L. 100-689, P.L. 102-86, and P.L. 103-452.

The program is based on a short-term care model of community treatment where the residential facility provides temporary housing and support services for substance-abusing patients who have completed an intensive rehabilitation program. Placement in contract facilities is limited to 60 days with a 30-day extension for clinically justified reasons. There were 6,309 placements made in FY 1994 at a cost of approximately \$8.7 million with an average per diem cost of \$35.

With continuing efforts to decrease the average length of stay for acute inpatient care, this program provides a low-cost, structured environment for veterans suffering from not only substance abuse conditions but also homelessness. Evaluative data has shown a reduction in readmission rates to inpatient programs. With continuing efforts to decrease acute inpatient lengths of stay, programs such as these play an increasingly important role in the treatment drug and alcohol related conditions.

*(c) Nursing Home Care Alternatives.*—In response to changing trends in the delivery of health care services, the VA under P.L. 101-366 was authorized to conduct “a pilot program to furnish medical rehabilitation and health-related services in non-institutional settings.” Extension of this program through December 31,

1997 would permit the VA to continue providing homemaker and home health aide services to certain eligible veterans.

A recent June 1995 evaluation concludes that the pilot was successful in meeting the stated program goals and enhancing the care of veterans in need of nursing home care. Veterans who utilized the service, as well as VA hospital staff involved with the program's implementation, reported a high degree of satisfaction.

Recent trends in health care have supported a change in focus toward the provision of home health services as an alternative to long-term institutional care. Surveys have demonstrated that people prefer home care to institutional care and that those remaining in the home with supportive services evidence higher satisfaction and perceived quality of life.

Specific conclusions of the 1995 evaluation showed that the program was widely implemented throughout the VA system. Veterans took advantage of the benefit and stated overall a high degree of satisfaction with their participation. The program provided services to veterans in need and cost of services which fell within the mandated budgetary allowance.

In an effort to determine the future viability and direction of this program, a comprehensive evaluation of the program is due to Congress no later than March 31, 1997 on the comparative cost effectiveness, and advantages and disadvantages of non-institutional alternatives to nursing home care.

*(d) Health Scholarships Program.*—The extension would allow the program established in 1982 to continue to operate through December 31, 1997. Those eligible to receive scholarships are nursing students and those pursuing other health care professional studies in fields such as occupational therapy, physical therapy, nurse anesthesiology, respiratory therapy and physician assistance. The program has served as a means of recruitment and retention for many scarce and difficult-to-recruit health care positions. Since 1982, 4,000 scholarships have been awarded, with nearly 3,000 recipients completing their education and service obligation to the VA.

The extension also includes a requirement for comprehensive evaluation of the Health Scholarships Program by a private contractor which would report its findings to Congress through the Secretary of Veterans Affairs by March 31, 1997. The purpose of the outside evaluation is to determine the costs and benefits of the program's operation in light of the changing needs and dynamics of the health professions. In addition, the report should evaluate whether the program might meet its objectives by providing partial scholarships to a larger number of recipients.

*(e) Enhanced-Use Leases of Real Property.*—The bill would amend section 8169 of title 38, U.S.C. to extend until December 31, 1997 the Secretary's authority to enter into enhanced-use leases. Enhanced-use is based on the concept that outleasing underutilized VA property, on a long-term basis, to non-VA users for uses compatible with VA programs will enable the VA to obtain facilities, services and/or money for VA requirements that would otherwise be unavailable or unaffordable.

Under the bill, the Secretary is required to provide an evaluation on the program's operation. The report is due to Congress by March 31, 1997.

*(f) Community-Based Residential Care for Homeless Chronically Mentally Ill Veterans (HCMI).*—The bill would extend this program for two years, until December 31, 1997.

The program was developed in 1987 and has continued as a pilot initiative through a series of reauthorizations. The HCMI veterans program employs VA outreach and case management services and, where appropriate, psychiatric residential treatment for eligible homeless mentally ill veterans in community-based facilities, arranged and paid for through VA contracts. A total of 71 programs have been established in 33 states and the District of Columbia. In FY 1995, the average length of stay for veterans in the program was 71 days and the average cost per day was \$39.

*(g) Demonstration Program of Compensated Work Therapy and Therapeutic Transitional Housing (CWT/TR).*—Under the bill, the program is extended for two years until December 31, 1997. Under section 2 of the bill, VA is to assess the CWT/TR Demonstration Program, along with two other programs which treat similar veteran patient populations, for possible consolidation.

The program was designed to assist veterans suffering from substance abuse problems or severe mental illnesses and homelessness to make a successful re-entry into independent community living. The program offers veterans structured, supervised treatment in community-based residences while they work for pay in VA Compensated Work Therapy (CWT) programs (now also called Veterans Industries). These veterans use a portion of their CWT earnings to cover the cost of maintaining the residences and are also responsible for the purchase and preparation of their own food.

The CWT/TR program has been implemented at 23 VA medical centers. Forty-six residences have been purchased, and the program will have 404 beds when fully operational.

*(h) Homeless Veterans Pilot Program.*—This bill would extend this program of assisting homeless veterans and veterans at risk of homelessness, until December 31, 1998.

Specifically, the program authorizes the VA to work with homeless centers and agencies nationwide to create comprehensive homeless centers and place VBA counselors at homeless centers. Additionally, it enables the VA to provide grants to non-VA entities which assist homeless vets. In FY 1994, a total of 33 projects were funded at a cost of \$5.5 million. Finally, the program allows the VA to provide per diem payments to entities eligible to receive a grant. Reauthorization is needed and provided under this legislation only for the grant and per diem programs.

## *Section 2. Reports*

*(a) Report on Consolidation of Certain Programs.*—Under this provision, the Secretary of Veterans Affairs is required to submit to Congress no later than March 1, 1997 an evaluative report on the advantages and disadvantages of consolidating into one program the following: the Alcohol and Drug Abuse Contract Care Program, the Community-Based Residential Care to Homeless Chronically Mentally Ill Veterans Program, and the Homeless Veterans

Pilot Program. These three programs serve similar populations with overlapping treatment responsibilities. An evaluation of the operation and scope of services will provide Congress with the necessary data and information to ensure the most appropriate structure for the continuity and future direction of programs dealing with this complex patient population.

*(b) Report on Scientific Evidence Concerning Health Consequences of Military Service in Persian Gulf War.*—The provision specifies that the Secretary of Veterans Affairs will submit to Congress no later than March 1, 1998 a report on the findings of a review to determine the association between military service in the Southwest Asia theater of operations during the Persian Gulf War and any diseases that may be associated with such service.

*Section 3. Repeal of Authority to Make Grants to Veterans Memorial Medical Center in the Philippines*

As of February 28, 1994, the VA suspended admissions to the Veterans Memorial Hospital in Manila (VMMC). A VA review team concluded that care provided to U.S. at the VMMC did not meet reasonable standards of care; consequently, all veteran care at VMMC is now handled by the VA Clinic staff in Manila through the contract hospital program. With the suspension of U.S. veteran admissions to VMMC, the continuing appropriation of U.S. funds to maintain and upgrade the physical plant at the facility is not appropriate.

*Section 4. Display of POW/MIA Flag at Department of Veterans Affairs Medical Centers*

Section 4 of the bill would amend provisions of the National Defense Authorization Act for Fiscal Years 1992 and 1993 to require that the POW/MIA flag be displayed on, or on the grounds of, each VA medical center whenever the American flag is flown.

The POW/MIA flag embodies the Nation's commitment to obtain the fullest possible accounting of the fate of missing or imprisoned American servicemen. Section 4 of the bill would further honor that commitment by expanding to VA medical centers the sites where that flag is to be displayed.

The primary mission of such centers, of course, is provision of medical care to veterans. In that regard, the Committee is cognizant of the important role VA facilities play in treating veterans with psychiatric problems, and of the fact that the provision of psychiatric care is a key mission at many VA facilities. Accordingly, the bill reflects a sensitivity to the effect that the VA's daily display of the POW/MIA flag might have on its treatment of psychiatric patients, and particularly those under treatment for Post-traumatic Stress Disorder (PTSD).

In the professional opinion of the chief of one facility's PTSD program, the POW/MIA flag is an emotional symbol which for some veterans can trigger powerful reactions—including guilt about their own survival—guilt which can aggravate a psychiatric problem. That clinician expressed deep concern that in many instances his patients' treatment could be compromised by being confronted daily by such a symbol. The Committee is aware that other clinicians do not see a detrimental effect from the flag's display. The Committee

does not purport to reach a conclusion as to the soundness of either view. Rather, it believes this question should be resolved at VA medical centers in their primary role as caregivers. Accordingly, section 4 provides for an exception, making the display requirement inapplicable to any medical facility where the facility director determines that daily display of the flag at that institution may be detrimental to the treatment of patients at that facility.

The Committee intends such determination to be based exclusively on clinical judgment. Such judgment, in the Committee's view, must be exercised locally in light of the particular treatment programs, patients, and circumstances of that facility. The exception in the bill is not intended, however, to be invoked on behalf of hypothetical future patients, or solely on behalf of an isolated case. To guard against exceptions being made lightly, or even arbitrarily, and to ensure that the reasons for not displaying the flag are based on clinical judgment, the bill requires that the director document the basis for any such determination in a report to the Under Secretary for Health. The Committee envisions that such centralized reporting will facilitate oversight, help ensure that the letter and spirit of the requirement is honored, and enable corrective action to be taken if necessary.

*Section 5. Contract for Utilities, Audie L. Murphy Memorial Hospital*

Under this section, the Audie L. Murphy Memorial VA Medical Center will be authorized to contract for the provision of utilities to include steam and chilled water for a period not to exceed 35 years.

On August 31, 1993 an energy agreement between the medical center and the University of Texas Health Science Center at San Antonio expired. To meet its energy needs, Audie Murphy entered into discussions with the Bexar County Hospital District which owns and operates a hospital adjacent to the VAMC.

Under current law, the VA is limited through delegation from the General Services Administration to a 10-year term on a utility contract. Because the 10-year contract limit would greatly increase energy costs to Audie Murphy, the VA looked to the development of an alternative arrangement. The VA found it would be most economical if it could enter into a contract of up to 35 years while retaining an equity interest in the facility. In addition, the VA will contribute \$3 million to the cost of constructing the energy plant, contract to buy chilled water and steam from the Hospital District, and provide the Hospital District the needed commitment to give Audie Murphy the lowest possible yearly operating costs. Under this bill, the contract will be structured to protect federal investment through joint title to the plant.

*Section 6. Name of Department of Veterans Affairs Medical Center, Walla Walla, Washington*

This section of the bill would change the name of the Walla Walla, Washington VA Medical Center to the Jonathan M. Wainwright Department of Veterans Affairs Medical Center.

In honor of the 50th Anniversary of V-J Day, the entire Washington State Delegation, in concert with the citizens of Walla Walla,



Washington, have requested the redesignation of the Walla Walla Department of Veterans Affairs Medical Center to the Jonathan M. Wainwright Department of Veterans Affairs Medical Center.

General Wainwright was a hero of World War II, earning the Congressional Medal of Honor for his service as commander of U.S. Troops in the Philippines after General Douglas MacArthur was forced to relocate his command. General Wainwright fought a heroic struggle against overwhelming odds, but was ultimately forced to surrender the Philippines to the Japanese. As a prisoner of war in Japanese-occupied Manchuria for the next three years, General Wainwright displayed outstanding courage and loyalty which won him the respect and admiration of all Americans. He was freed in time to be present with General MacArthur aboard the U.S.S. Missouri for the formal surrender of Japan.

General Wainwright was born at Fort Walla Walla, Washington. The son of a cavalry officer, he graduated from West Point in 1906. He was awarded the Congressional Medal of Honor by the President in 1945 and retired from military service in 1947. He died on September 2, 1953.

#### SECTION-BY-SECTION ANALYSIS

Section 1(a) would amend section 1710(e)(3) of title 38, United States Code, and section 1712(a)(1)(D) of title 38, United States Code, to extend until December 31, 1998, the Secretary's authority to provide health care on a priority basis for Persian Gulf War Veterans.

Section 1(b) would amend section 1720A(e) of title 38, United States Code, to extend until December 31, 1997, the Secretary's contract authority for alcohol and drug abuse care.

Section 1(c) would amend section 1720C(a) of title 38, United States Code, to extend until December 31, 1997, the Secretary's authority to provide nursing home care alternatives to certain eligible veterans.

Section 1(d) would amend section 7618 of title 38, United States Code, to extend until December 31, 1997, the Secretary's authority to operate the Health Scholarships Program.

Section 1(e) would amend section 8169 of title 38, United States Code, to extend until December 31, 1997, the Secretary's authority to enter into enhanced-use leases of real property.

Section 1(f) would amend section 115(d) of the Veterans' Benefits and Services Act of 1988 (38 U.S.C. 1712 note), to extend until December 31, 1997, the Secretary's authority to operate the Community-Based Residential Care for Homeless Chronically Mentally Ill Veterans program.

Section 1(g) would amend section 7 of Public Law 102-54 (38 U.S.C. 1718 note), to extend until December 31, 1997, the Secretary's authority to operate the Demonstration Program of Compensated Work Therapy and Therapeutic Transitional Housing.

Section 1(h) would amend sections 2(a), 3(a) and 12 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note), to extend until December 31, 1998, the Secretary's authority to operate the Homeless Veterans Pilot Program.

Section 2(a) would require the Secretary to submit to Congress no later than March 1, 1997, a report on the advantages and dis-

advantages of consolidating into one program the following three programs: the Alcohol and Drug Abuse Contract Care Program, the Community-Based Residential Care to Homeless Chronically Mentally Ill Veterans Program and the Homeless Veterans Pilot Program.

Section 2(b) would require the Secretary to submit to Congress no later than March 1, 1998, a report on scientific evidence concerning health consequences of military service in the Persian Gulf War.

Section 3 would strike section 1732(b) of title 38, United States Code, to repeal the Secretary's authority to make grants to the Veterans Memorial Medical Center in the Philippines.

Section 4 would amend section 1084(a) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (36 U.S.C. 189 note), to require the display of the POW/MIA flag at Department of Veterans Affairs Medical Centers on each day that the American flag is flown.

Section 5 would authorize the Secretary to enter into contracts for utilities at the Audie L. Murphy Memorial Hospital.

Section 6 would change the name of the Walla Walla, Washington VA Medical Center to the Jonathan M. Wainwright Department of Veterans Affairs Medical Center.

#### OVERSIGHT FINDINGS

No oversight findings have been submitted to the Committee by the Committee on Government Reform and Oversight.

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, October 3, 1995.*

Hon. BOB STUMP,  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 2353, a bill to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs, and for other purposes, as ordered reported by the House Committee on Veterans' Affairs on September 20, 1995.

The bill would not affect direct spending or receipts and thus would not be subject to pay-as-you go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985. The bill would not affect the budgets of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL,  
*Director.*

Enclosure:

1. Bill number: H.R. 2353.
2. Bill title: A bill to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs relating to delivery of health and medical care, and for other purposes.
3. Bill status: As ordered reported by the House Committee on Veterans' Affairs on September 20, 1995.
4. Bill purpose: This bill would extend certain expiring authorities of the Department of Veterans Affairs (VA).
5. Estimated cost to the federal government:  
The following table summarizes the estimated budgetary impact of H.R. 2353, which would depend upon subsequent appropriations action.

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
SPENDING SUBJECT TO APPROPRIATIONS ACTION						
Spending Under Current Law.						
Budget Authority <sup>a</sup> <sup>b</sup> .....	172	25	0	0	0	0
Estimated Outlays .....	178	39	0	0	0	0
Proposed Changes.						
Estimated Authorization Level .....	0	136	160	107	21	-1
Estimated Outlays .....	0	117	159	117	34	-1
Spending Under H.R. 2353.						
Estimated Authorization Level .....	172	160	160	107	21	-1
Estimated Outlays .....	178	156	159	117	34	-1

<sup>a</sup> The 1995 figure is the amount already appropriated for a variety of unrelated programs.<sup>b</sup> Amounts for fiscal years 1996 through 2000 are authorizations subject to appropriations action.

6. Basis of estimate: The estimate assumes enactment of the bill by November 1, 1995, and appropriation of the authorized amounts for each fiscal year. CBO used historical spending rates for estimating outlays. Only those sections having a budgetary impact are discussed below.

*Medical Treatment for Persian Gulf Veterans.*—Section 1(a) would extend from December 31, 1995, to December 31, 1998, VA's authority to provide medical treatment to veterans who may have been exposed to toxic substances while serving in the Persian Gulf War. Since 1992, about 180,000 veterans have sought outpatient care for ailments believed to have resulted from exposure to toxic substances while serving in the Gulf War. Forty-eight thousand Gulf War veterans are on VA's registry, and registrations continue at the rate of 2,000–2,500 per month during fiscal year 1995.

Based on estimates from VA, the cost of treating and testing these veterans would be \$80 million per year through 1998. The cost for the final nine months of fiscal year 1996 would be \$60 million.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	60	80	80	20	0
Estimated Outlays .....	52	77	80	31	0

*Contract Care for Alcohol and Drug Abuse.*—For about 15 years VA has been authorized to contract with third parties to treat veterans suffering from alcohol and drug abuse. Section 1(b) would extend authority to provide contract care from December 31, 1995, to December 31, 1997. At the discretion of the Secretary, VA would be able to contract with halfway houses and other community-based organizations to provide short-term care and therapeutic services to veterans with alcohol and drug dependencies. In 1994, VA spent almost \$9 million on contracts with organizations that helped veterans suffering from substance abuse. Under this section, VA would spend \$6 million in the last three quarters of fiscal 1996 and help more than 6,000 veterans during the entire fiscal year.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	7	9	2	0	0
Estimated Outlays .....	6	9	4	0	0

*Nursing Home Pilot Project.*—Section 1(c) would extend until December 31, 1997, a pilot program on nursing homes that allows the Secretary of Veterans Affairs to pay for alternatives to nursing home care. At present, VA can contract with private and community providers of noninstitutional nursing home care to provide homemaker and home health services to eligible veterans. Certain criteria must be met by veterans in order to qualify for the program. In general veterans with a service-connected disability of more than 50 percent and veterans needing nursing home care for service-connected disabilities have priority in receiving this care. Participants must be at least 75 years old and meet other specific requirements pertaining to health and ability to live independently. The cost of noninstitutional care cannot exceed 65 percent of what it costs VA to provide each individual nursing care at its facilities (\$32,371 annually per person in 1994).

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	18	19	5	0	0
Estimated Outlays .....	16	19	7	0	0

In 1994, VA spent almost \$10 million and provided noninstitutional care to 1,500 veterans. The number of veterans participating in the program is expected to grow to 2,700 in 1996 and would cost \$18 million for that year.

*Health Scholarships Program.*—In 1994, VA awarded scholarships to 374 nurses and other health professionals. These competitive scholarships allowed VA health care professionals to enroll in a full-time course of study leading to either an associate, baccalaureate, or master's degree. Award winners receive payments for tuition, educational expenses, and a monthly stipend—all tax free. The program helps VA recruit and retain nurses and other health care professionals, particularly for health care disciplines in which

VA is experiencing recruitment difficulties. In return for the award, recipients incur a service obligation of two years to the VA.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	8	11	3	0	0
Estimated Outlays .....	8	11	3	0	0

Section 1(d) would extend the authorization of the program from December 31, 1995, to December 31, 1997. For 1996, the cost of the program would be almost \$8 million for the last nine months of the year. VA anticipates that this amount of funding will pay for 427 awards.

*Enhanced-Use Leases of Real Property.*—Section 1(e) would extend for two years the authorization for the VA to use enhanced-use leases of real property and would result in no significant costs. Enhanced-use leases of real property allow the VA to enter into contracts with private companies to develop or employ underutilized land or other assets under the control of VA. In most instances, VA would allow a private developer to build on property owned by VA, and in return the developer would allow VA partial use of the newly developed facility at below market price. In the past, VA has contracted for child-care centers and cafeterias where VA received below market prices for its employees who use the facility.

With the exception of leases made to provide child-care services, no more than 20 enhanced-use leases may be entered into at any one time. Current law permits VA to make payments only for those enhanced-use leases that provide space or services for which funds are appropriated in advance.

*Community-Based Residential Care for Chronically Mentally Ill Veterans.*—In 1994, VA spent just over \$24.5 million to provide 9,000 Homeless Chronically Mentally Ill (HCMI) veterans with community-based residential care. The HCMI program began in 1987 and has been reauthorized periodically. The program operates out of 71 VA facilities and targets homeless veterans with psychiatric or drug abuse problems. VA estimates that the number of homeless veterans on any given night varies from 150,000 to 250,000. Case workers seek out these veterans at homeless shelters or on the street and help them find appropriate health care and social services. These veterans are usually placed in community programs under contract with VA. The average cost of providing this service was \$39 per day per veteran in 1994. The average stay was 71 days.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	28	29	8	0	0
Estimated Outlays .....	25	29	12	0	0

VA anticipates that in 1996 it would be able to help almost 9,700 of the several hundred thousand homeless veterans at a cost of over \$28 million. Section 1(f) would extend this program through December 1997.

*Compensated Work Therapy and Therapeutic Transitional Housing (CWT).*—Section 1(g) would continue a demonstration program aimed at helping eligible veterans with severe mental illness and drug and alcohol problems return to mainstream society. The program offers veterans treatment while employed in the CWT program. This program differs from therapy programs because veterans pay rent to offset the cost of acquiring and maintaining the property in which they reside. VA has purchased 46 residences which will have 404 beds when fully operational. An additional four residences with a total of 60 beds are planned. Expansion beyond 50 residences would require a change in current law. To serve 316 veterans in 1994, VA spent about \$3 million.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	4	4	1	0	0
Estimated Outlays .....	3	4	1	0	0

*The Homeless Veterans Pilot Program.*—Section 1(h) expands VA authority to work with community and public groups to provide additional services to homeless veterans. This program provides seven comprehensive homeless shelters, authorizes placement of counselors in 12 homeless shelters, allows for grants to public and community organizations to provide transitional assistance to veterans, and authorizes VA to make per diem payments to organizations eligible to receive grants. This program would be authorized until December 31, 1998. Reauthorization of the program is needed only to continue the homeless grant and per diem programs.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	9	9	9	2	0
Estimated Outlays .....	7	9	11	4	0

In 1994, \$8 million was appropriated for this program, \$5.6 million of which was used for the grant program. The number of veterans affected by the program is uncertain, and VA is developing a plan to evaluate its effectiveness. CBO estimates that the cost of the program in 1996 would be about \$9 million.

*Philippines Memorial Medical Center.*—Section 3 would repeal the authorization of grants to the Veterans Memorial Medical Center (VMMC) in the Philippines. Savings from this proposal would be around \$500,000 per year. VA has been paying about \$500,000 a year for the medical treatment of U.S. veterans living in the Philippines. Since February 1994, when a VA evaluation team determined that the VMMC Medical Center no longer met VA's standards as a contract care facility, no new veterans have been admitted to the facility. This proposal would not affect funds previously authorized and appropriated for the VMMC.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	–1	–1	–1	–1	–1
Estimated Outlays .....	–*	–1	–1	–1	–1

\* Less than \$500,000.

*Contracts for Utilities, Audie L. Murphy Memorial Hospital.*—Section 5 would authorize VA to enter into a long-term joint venture contract with Bexar County Hospital District in San Antonio, Texas, for the construction and operation of a utility plant on non-federal property adjacent to the Audie L. Murphy Memorial VA Hospital. The provision stipulates, however, that VA may enter into such a contract only to the extent that funds required of VA under the contract are provided in advance by appropriation acts.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Estimated Authorization Level .....	3	—*	—*	—*	—*
Estimated Outlays .....	1	2	—*	—*	—*

\* Less than \$500,000.

The VA hospital in San Antonio and the adjacent Bexar County Hospital will soon lose access to chilled water (for air conditioning) that they now obtain from the neighboring University of Texas Hospital. The provision would allow VA and Bexar County Hospital to build jointly a chilled water plant to serve both hospitals. Under a preliminary agreement, the initial capital cost of constructing the plant and outfitting it with chillers would be shared by VA and Bexar County nearly equally. The draft agreement also stipulates that VA's capital contribution to the joint venture would be no more than \$3 million.

The cost of chilled water to both parties produced by the plant would be based on the ongoing operating costs of the plant. None of Bexar County's initial capital contribution or subsequent debt service cost could be passed on the VA in the form of increased utility charges. Once the plant is in operation, the cost of air conditioning the San Antonio VMMC would be significantly reduced from current levels. The savings, however, would be less than \$500,000 a year.

7. Pay-as-you-go considerations: None.
8. Estimated cost to state and local governments: None.
9. Estimate comparison: None.
10. Previous CBO estimate: None.
11. Estimate prepared by: Michael Groarke.
12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

#### INFLATIONARY IMPACT STATEMENT

The enactment of the reported bill would have no inflationary impact.

#### APPLICABILITY TO LEGISLATIVE BRANCH

The reported bill would not be applicable to the legislative branch under the Congressional Accountability Act, Public Law 104–1, because it would apply only to certain Department of Veterans Affairs programs and facilities.

## STATEMENT OF FEDERAL MANDATES

The reported bill would not establish a federal mandate under the Unfunded Mandates Reform Act, Public Law 104–4.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

**TITLE 38, UNITED STATES CODE**

\* \* \* \* \*

**PART II—GENERAL BENEFITS**

\* \* \* \* \*

**CHAPTER 17—HOSPITAL, NURSING HOME,  
DOMICILIARY, AND MEDICAL CARE**

## SUBCHAPTER I—GENERAL

Sec.

1701. Definitions.

1702. Presumption relating to psychosis.

\* \* \* \* \*

SUBCHAPTER IV—HOSPITAL CARE AND MEDICAL TREATMENT FOR VETERANS IN THE  
REPUBLIC OF THE PHILIPPINES

1731. Assistance to the Republic of the Philippines.

1732. Contracts [and grants] to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center.

\* \* \* \* \*

**SUBCHAPTER II—HOSPITAL, NURSING HOME OR  
DOMICILIARY CARE AND MEDICAL TREATMENT****§ 1710. Eligibility for hospital, nursing home, and domiciliary care**

(a) \* \* \*

\* \* \* \* \*

(e)(1) \* \* \*

\* \* \* \* \*

(3) Hospital and nursing home care and medical services may not be provided under or by virtue of subsection (a)(1)(G) of this section after June 30, 1995, or, in the case of care for a veteran described in paragraph (1)(C), after December 31, [1995] 1998.

\* \* \* \* \*



**§ 1712. Eligibility for outpatient services**

(a)(1) Except as provided in subsection (b) of this section, the Secretary shall furnish on an ambulatory or outpatient basis such medical services as the Secretary determines are needed—

(A) \* \* \*

\* \* \* \* \*

(D) during the period before December 31, [1995] 1998, for any disability in the case of a veteran who served on active duty in the Southwest Asia theater of operations during the Persian Gulf War and who the Secretary finds may have been exposed to a toxic substance or environmental hazard during such service, notwithstanding that there is insufficient medical evidence to conclude that the disability may be associated with such exposure.

\* \* \* \* \*

**§ 1720A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities**

(a) \* \* \*

\* \* \* \* \*

(e) The Secretary may not furnish care and treatment and rehabilitative services under subsection (a) of this section after December 31, [1995] 1997.

\* \* \* \* \*

**§ 1720C. Noninstitutional alternatives to nursing home care: pilot program**

(a) During the period through [September 30, 1995] December 31, 1997, the Secretary may conduct a pilot program for the furnishing of medical, rehabilitative, and health-related services in noninstitutional settings for veterans who are eligible under this chapter for, and are in need of, nursing home care. The Secretary shall give priority for participation in such program to veterans who—

(1) are in receipt of, or are in need of, nursing home care primarily for the treatment of a service-connected disability; or

(2) have a service-connected disability rated at 50 percent or more.

\* \* \* \* \*

**SUBCHAPTER IV—HOSPITAL CARE AND MEDICAL TREATMENT FOR VETERANS IN THE REPUBLIC OF THE PHILIPPINES**

\* \* \* \* \*

**§ 1732. Contracts [and grants] to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center**

(a) \* \* \*

[(b)(1) To further assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center,

there is authorized to be appropriated for each fiscal year during the period beginning on October 1, 1981, and ending on September 30, 1990, the sum of \$1,000,000 to be used by the Secretary for making grants to the Veterans Memorial Medical Center for the purpose of assisting the Republic of the Philippines in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of such center.

[(2) Grants under this subsection shall be made on such terms and conditions as prescribed by the Secretary. Such terms and conditions may include a requirement of prior approval by the Secretary of the uses of the funds provided by such grants.

[(3) Funds for such grants may be provided only from appropriations made to the Department for the specific purpose of making such grants.]

[(c)] (b) The Secretary may stop payments under a contract [or grant] under this section upon reasonable notice as stipulated by the contract [or grant] if the Republic of the Philippines and the Veterans Memorial Medical Center do not maintain the medical center in a well-equipped and effective operating condition as determined by the Secretary.

[(d)] (c)(1) The authority of the Secretary to enter into contracts [and to make grants] under this section is effective for any fiscal year only to the extent that appropriations are available for that purpose.

(2) Appropriations made for the purpose of this section shall remain available until expended.

\* \* \* \* \*

## **PART V—BOARDS, ADMINISTRATIONS, AND SERVICES**

\* \* \* \* \*

### **CHAPTER 76—HEALTH PROFESSIONALS EDUCATIONAL ASSISTANCE PROGRAM**

\* \* \* \* \*

#### **SUBCHAPTER II—SCHOLARSHIP PROGRAM**

\* \* \* \* \*

#### **§ 7618. Expiration of program**

The Secretary may not furnish scholarships to new participants in the Scholarship Program after December 31, [1995] 1997.

\* \* \* \* \*

## **PART VI—ACQUISITION AND DISPOSITION OF PROPERTY**

\* \* \* \* \*

**CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY; ENHANCED-USE LEASES OF REAL PROPERTY**

\* \* \* \* \*

**SUBCHAPTER V—ENHANCED-USE LEASES OF REAL PROPERTY**

\* \* \* \* \*

**§ 8169. Expiration**

The authority of the Secretary to enter into enhanced-use leases under this subchapter expires on December 31, [1995] 1997.

\* \* \* \* \*

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**SECTION 115 OF THE VETERANS' BENEFITS AND SERVICES ACT OF 1988**

**SEC. 115. PILOT PROGRAM OF COMMUNITY-BASED RESIDENTIAL CARE FOR HOMELESS CHRONICALLY MENTALLY ILL AND OTHER VETERANS.**

(a) \* \* \*

\* \* \* \* \*

(d) DURATION OF PROGRAM.—The authority for the pilot program authorized by this section expires on [September 30, 1995] December 31, 1997.

\* \* \* \* \*

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**SECTION 7 OF THE ACT OF JUNE 13, 1991**

**SEC. 7. DEMONSTRATION PROGRAM OF COMPENSATED WORK THERAPY AND THERAPEUTIC TRANSITIONAL HOUSING.**

(a) DEMONSTRATION PROGRAM.—[During fiscal years 1991 through 1995, the] The Secretary of Veterans Affairs may carry out a compensated work therapy and therapeutic transitional housing demonstration program. The demonstration program shall have two components, as follows:

(1) A component, under subsection (c), which provides for direct operation of therapeutic transitional housing in conjunction with the furnishing of compensated work therapy.

(2) A component, under subsection (d), which provides for the contracting with nonprofit corporations to furnish compensated work therapy in conjunction with the operation of the therapeutic transitional housing.

\* \* \* \* \*

(m) SUNSET.—The authority for the demonstration program under this section expires on December 31, 1997.

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## HOMELESS VETERANS COMPREHENSIVE SERVICE PROGRAMS ACT OF 1992

### SEC. 2. PILOT PROGRAM.

(a) IN GENERAL.—Subject to the availability of appropriations provided for under section 12, the Secretary of Veterans Affairs shall establish and operate, through ~~September 30, 1995~~ *December 31, 1998*, a pilot program under this Act to expand and improve the provision of benefits and services by the Department of Veterans Affairs to homeless veterans.

\* \* \* \* \*

### SEC. 3. GRANTS.

(a) AUTHORITY TO MAKE GRANTS.—Subject to the availability of appropriations provided for under section 12, the Secretary of Veterans Affairs~~], during fiscal years 1993, 1994, and 1995,~~ shall make grants to assist eligible entities in establishing new programs to furnish outreach, rehabilitative services, vocational counseling and training, and transitional housing assistance to homeless veterans.

\* \* \* \* \*

### SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act (other than section 8) \$48,000,000 for ~~each of the fiscal years 1993, 1994, and 1995~~ *each fiscal year through 1998*. Nothing in this Act shall be construed to diminish funds for, continuation of, or expansion of existing programs administered by the Secretary of Veterans Affairs to serve veterans.

## SECTION 1084 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1992 AND 1993

### SEC. 1084. DISPLAY OF POW/MIA FLAG.

(a) DISPLAY OF POW/MIA FLAG.—The POW/MIA flag, having been recognized and designated in section 2 of Public Law 101-355 (104 Stat. 416) as the symbol of the Nation's concern and commitment to resolving as fully as possible the fates of Americans still prisoner, missing, and unaccounted for, thus ending the uncertainty for their families and the Nation, shall be displayed—

(1) at each national cemetery and at the National Vietnam Veterans Memorial each year on Memorial Day and Veterans Day and on any day designated by law as National POW/MIA Recognition Day; ~~and~~

(2) on, or on the grounds of, the buildings specified in subsection (b) on any day designated by law as National POW/MIA Recognition Day~~].~~; *and*

(3) *on, or on the grounds of, each Department of Veterans Affairs medical center (except as provided in subsection (e)), on every day on which the flag of the United States is displayed.*

\* \* \* \* \*

(c) **PROCUREMENT AND DISTRIBUTION OF FLAGS.**—[Within 30 days after the date of the enactment of this Act, the] *The Administrator of General Services shall procure POW/MIA flags and distribute them as necessary to carry out this section.*

\* \* \* \* \*

*(e) SPECIAL RULE FOR DISPLAY AT DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTERS.—(1) Upon a determination by the director of a Department of Veterans Affairs medical center that the daily display of the POW/MIA flag at that medical center may be detrimental to the treatment of patients at that center, the provisions of subsection (a)(3) shall be inapplicable with respect to that medical center.*

*(2) Whenever the director of a Department of Veterans Affairs medical center makes a determination described in paragraph (1), that officer shall submit a report on such determination, including the basis for the determination, to the Under Secretary for Health of the Department of Veterans Affairs.*

**[(e)] (f) POW/MIA FLAG DEFINED.**—As used in this section, the term “POW/MIA flag” means the National League of Families POW/MIA flag recognized officially and designated by section 2 of Public Law 101–355 (104 Stat. 416).

